9-30 A.M.

STATEMENT MADE BY THE MINISTER FOR FOOD AND CIVIL SUPPLIES ON THE SYSTEM OF LEVY PROCUREMENT OF FOODGRAINS IN MYSORE STATE DURING 1967-68

Sri B. D. JATTI.-- Sir, it has been my privilege, on a few occasions in the past, to have made a statement on the floor of this House on the Food Policy we have adopted. This time I shall confine mysl‌ef only to one major aspect of Food Policy, namely, the system of Levy procurement of foodgrains.

The rationale of Mysore State's procurement policy, which is pragmatic, is this. In recent years owing to unsatissactory seasonal conditions, both the Central and State Governments have increasingly recognished the need to safeguard the interests of the vulnerable sections of the community in making available to them their minimal requirements of foodgrains at reasonable prices. Considering the food gap in Mysore State, it would be impossible to achieve this end by merely depending upon foodgrains imported from abroad or procured in surplus States. In order to maintain our distributive arrangements, without fear of break down or an abnormal increase in prices, it is very necssary to supplement Government's stock of foodgrains by local procurement. Built in Incentive.

I have however, all along emphasised that the paramount objective is to maximise agricultural productiou. It has, therefore, been my enedavour to limit compulsory local procurement of foodgrains to about 8 per eent of the produce. Thus, the bulk of the grower's produce is left with him, so that he could realise the optimum economic return under free market conditions, which has been allowed to operate in this State side by side with the system of control. In other words, in Mysore State's Procurement Policy there is, therefore, a built in incentive to the grower for increasing production.

Levy Policy

The levy procurement Policy followed this year is the same as during the crop-year 1966-67. Paddy, Jowar, Ragi and Bajra grown within the State are procured, under Statutory levy orders, under a graduated slab system of levy determined with reference to the area of the grower's holding and its source of irrigation.

Net surplus

If the grower considers that his net surplus would be lower than the levy according to the prescribed scales, he may make an appli ation that the levy may be reduced suitably and in that event the levy will be limited to his net assessed surplus determined with reference to (a) the estimated yield of the holding, (b) the grower's requirement for his own consumption and that of his family and dependents, (c) the

grower's requirement for seed purposes and cultivation expenses paid for in kind, and (d) the rent payable in kind in the case of tenant cultivators.

Classification of Lands

For purpose of levy, lands under paddy are classified under three categories, namely, (1) lands under Scheduled Irrigation Projects, (2) lands under other Irrigation Projects/works and well irrigated lands, and (3) rain-fed and other lands. The highest rate of levy is in respect of the first category, a little lower in respect of the second category, and the lowest in respect of the third cateogry of lands.

Similarly, for purpose of levy, lands under Jowar, Ragi and Bajra are classified under 2 categories, namely (1) lands irrigated under Government sources of irrigation and under wells; and (2) other lands. The rates of levy are higher in respect of the first category than in respect of the second category of lands.

The scales of levy in respect of Paddy, Jowar, Ragi and Bajra and the irrigation projects included in the schedule to the paddy Procurement Order are the same as that of last year.

Prices.

The Purchase Prices for Kharif Cereals, covered by the Levy Orders, this year are as follows :

Sl. No.	*Grain*	*Purchase Price Rs. per quintal*	
1	Paddy :	Raw	Boiled
	Fine	52.00	50.50
	Mid-Fine	49.00	47.00
	Medium	46.00	44.50
	Coarse	45.00	43.60
2	Jowar :		
	Red Jowar	52.00	
	Yellow Jowar	52.00	
	White Jowar	54.00	
3	Bajra	54.00	
4	Ragi	52.00	

Agri. Prices Commission

It may be mentioned here that Purchase Prices are fixed by the State Government in consultation with the Government of India, who in

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turn are advised in this regard by an expert body of Agricultural Economists called the Agricultural Prices Commission. In arriving at their recommendations the Agricultural Prices Commission take into account the various relevant economic factors, both short-term and long-term, such as the cost of cultivation and the need to assure a reasonable return to the grower without fear of adverse economic consequences.

Min. Support Prices

Taking into account both the interests of the producer and the interests of the consumer, it will be obvious that the Purshase Prices prescribed are reasonable. However, since Levy Procurement is limited only to a portion of the produce, in the event of there being a large marketable surplus, it is probable that the Open-Market prices may go down sharply. In such an event, to safeguard the interests of the producer, the Central Government and the State Government have adopted the scheme of Minimum Support Prices. The Minimum Support price is the price at which the State Government would buy foodgrains, when they are voluntarily offered for sale by the grower, in order to assure that the grower can be certain of this price in any given year. These prices* are also fixed in consultation with the Central Government on the advice of the Agricultural Prices Commission.

* The Minimum Support Prices for Kharif Cereals fixed this year are as follows :

Sl. No.	*Grain*	*MSP per quintal*
1	Paddy	Raw
	Fine	50.00
	Mid-Fine	47-00
	Medium	44.00
	Coarse	43.00
2	Jowar	42.00
3	Bajra	42.00
4	Ragi	42.00

No Harrasment

I should here like to point out that the question of harassment of growers during adverse seasonal conditions or when the crop has failed, would not arise at all. The Essential Cummodities Act implies a levy not on the land as such, but on the crop. In other words, under the State's Levy Orders, there can be no collection of levy if no crop has been grown on the land, either because it has remained

fallow or because there has been a failure of crop. More preparation of Demand Notice based on information available in the village records does not amount to imposition of levy. Each grower has the full opportunity to establish, as per prescribed procedure, that the crop has failed. In that case, levy will not be collected as per scale. It is proved by the grower that the crop has completely failed, then no levy will be collected.

It should be added as stated earlier that the Levy Orders provide an option to the grower to claim determination of his net surplus if the grower considers that net surplus is lower than levy indicated in the Demand Notice, he may make an application in the prescribed form, furnishing the relevant data for the reduction of levy.

It will thus be seen that there is no scope under the Levy Orders collectiong levy where the crop has completely failed or for collecting a higher rate of levy where the yield does not justify this.

Conclusion

I have no doubt that the honourable Members will appreciate that the State's Policy of Procurement adequately serves the twin pruposes for which it has been designed namely-(a) building up a buffer stock of foodgrains, and (b) its equitable distribution to the consumers, particularly the weaker sections of the community, at resonable prices.

In a time of scarcity, Government has the responsibility to see that the maximum benefit accrues to as many persons as possible, with minimum hardship to most. In these circumstances, the dangers of the free operation of a total uncontrolled market are obvious. A measure of regulation is inevitable.

BUSINESS OF THE HOUSE

Mr. SPEAKER.—I have received certain notices of motions and call attention and interpellations. I have received from Sri S. Sivappa and two others vize Sri Dev Gowda and Sri Puttadas regarding the statement made now.

I have alse received a request for having a discussion on scarcity conditions from Sri P. Venkatagiriappa.

I have received similar notices from Sri Rathnakumar Shetty and others.

All these Hon'ble Members may kindly note that there will be a special discussion, on these subjects. I suppose copies of the statements have been distributed to members.

Sri H. SIDDAVEERAPPA (Harihar).—Copies of both the statements have not been supplied.